



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

No. D 06 - 234

Michelle R. Lewis,

ORDER REVOKING LICENSE

Licensee.

To: Michelle R. Lewis
23969 State Route 3 # G 388
Belfair, WA 98528

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your license is **REVOKED**, effective August 8, 2006, pursuant to RCW 48.17.530(1) (b), (e), and (h); and 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. Michelle Lewis is a licensed agent authorized to sell life and disability insurance in Washington.
2. The OIC received a notification of termination for cause dated March 6, 2006, stating that Combined Insurance Company of America ("Combined") had terminated the licensee's appointment. The reason given for the termination was that, between December 6 and December 12, 2005, Ms. Lewis had issued thirty-two applications on nonexistent people, using falsified checks to pay the premiums.
3. Attached to the notice of termination were copies of the applications. Each included an authorization for electronic withdrawals of premiums, which included an attached voided check. Each of the voided checks was exactly the same: check number 4489 drawn on TriCentury Bank in Simpson, Kansas. Each of the checks also bore the same account number. Each application appears to have been filled out in Ms. Lewis' handwriting, and each application bears a signature that, in most cases, bears a striking resemblance to this handwriting.
4. One of the applications was for Ms. Lewis' own family. This application included an authorization for electronic withdrawal that included the same check. However, this check

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included an imprint of Ms. Lewis' name, the words "Direct Deposit Only" and a decorative border around the check number that does not appear in the other checks.

4. For each of these false applications, Ms. Lewis received an advance commission. These advance commissions resulted in a total loss to Combined of \$3,872.85.

5. On March 20, 2006, the licensee was provided a copy of the complaint by mail, and asked to respond. When no response was received, a second request was sent on April 4, 2006. Ms. Lewis finally responded, via faxed letter, on April 17, 2006. She indicated that she had been out of town and that OIC had addressed its inquiries to her old address. She provided a current address.

6. In her response, Ms. Lewis admits that she falsified the applications and used her own check for the electronic payment authorizations. She admits that she wrote the applications using the names of people she knows and false addresses, and that she paid the initial premiums herself.

7. The licensee states that she "felt pressured to make sales" and did not think this behavior was illegal. She alleges that she did not make herself the beneficiary of any of the policies, and that "there is no way I could profit from this and it in fact cost me money to do." However, the applications demonstrate that Ms. Lewis did make herself the beneficiary on two of the policies, and Combined alleges that it paid Ms. Lewis \$3,872.85 in advance commissions based upon submission of these false applications.

8. During a subsequent telephone call with Investigator Ed Ganley of the OIC, Ms. Lewis disputed that the advance commissions were in excess of \$3800.00. She stated that the subsequent payments were electronic and, since she no longer had direct deposit, the money did not reach her account. However, she admits that she was paid at least \$1800.00 in advance commissions on these false applications.

The licensee violated the following regulations and provisions of the insurance code:

a.) By willfully obtaining funds which belonged to Combined Insurance Co. through submission of thirty-two false insurance applications and converting those funds to her own use, Ms. Lewis violated 48.17.480(3).

b.) By paying the initial premiums on these false policies and attempting to use a check from her own account to authorize deductions for future premiums, Ms. Lewis violated RCW 48.30.140(1).

c.) By knowingly making false and misleading statements and willfully failing to reveal material facts relative to the thirty-two false applications for insurance, Ms. Lewis violated RCW 48.30.210.

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d.) By engaging in unfair or deceptive acts or practices in the conduct of business, the licensee violated RCW 48.30.010.

e.) By making publishing, and disseminating false, deceptive and misleading representations in the conduct of the business of insurance, the licensee violated RCW 48.30.040.

By reason of her conduct, and her violations of the Insurance Code, Michelle R. Lewis has shown herself to be, and is so deemed by the commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington under 48.17.070. Accordingly, Michelle Lewis' license is revoked pursuant to RCW 48.17.530 and RCW 48.17.540(2).

IT IS FURTHER ORDERED that Michelle Lewis return her insurance agent's license certificate to the Commissioner on or before the effective date of the revocation of that license, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attn John F. Hamje, Deputy Insurance Commissioner, Consumer Protection Division, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 19th day of July, 2006

MIKE KREIDLER
Insurance Commissioner

By

JOHN F. HAMJE
Deputy Insurance Commissioner
Consumer Protection Division

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DECLARATION OF MAILING

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to **Michelle R. Lewis**.

Dated: July 19, 2006

At Tumwater, Washington

Victoria Estrada

Victoria Estrada

NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.